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AMENDMENT OF
FMC AGREEMENT NO. 203-011223

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WHEREAS, the Parties wish to amend the Transpacific Stabilization Agreement, FMC No. 203-011223, as amended previously (the "Agreement"), for the purposes of (a) updating and redefining the internal administrative, management and governance structure of the Agreement, as reflected in subarticle 2.2 and referenced in various other provisions, and (b) deleting previously effective, negotiated reporting requirements set forth in subarticle 5.11 and Appendix D of the Agreement which have been superseded by quarterly monitoring reports pursuant to the FMC's amended Part 572 regulations;

NOW, THEREFORE, in accordance with Article 8 of the Agreement, the Parties have taken action as reflected by First Revised Page Nos. 3 and 4, Fifth Revised Page No. 11 and Second Revised Page Nos. 31 and 32 of the Agreement which are attached hereto and made a part hereof.



- (b) "Administrative Committee" refers to a standing committee of the Parties or to an administrative manager or secretariat, however titled, and including any support staff, appointed or engaged from time to time by the Parties to administer the provisions of this Agreement, including functions described in subarticles 6.2, 6.3, 6.7 and 6.9, and to perform such other functions as may be decided, including any functions of an Auditor and/or Secretariat as described herein.
- (c) "Auditor" refers to a firm or person appointed in connection with a capacity management program, if any, per the first paragraph of Article 5 hereof.
- (d) "Cargo" refers to cargo placed in containers for shipment on the Parties' vessels in the Trade, measured in twenty foot equivalent units (TEUs) of container capacity. A 20-foot long container is counted as a TEU, a 40-foot container as two TEUs and a 45-foot container as 2.25 TEUs. Oversized and odd-sized cargo are counted based on the number of TEUs that they occupy, for example, (a) a yacht under 20 feet in length is equivalent to one TEU and a yacht over 20 feet in length is equivalent to two TEUs, and (b) any further equivalents will be established by the Parties upon the recommendation of the Administrative Committee.

- (e) "Chairman" refers to a chairman, vice chairman, executive director or other senior manager or managers, however titled, as may be appointed or engaged from time to time by the Parties to convene, or delegate and approve the convening of, meetings of the Agreement, to oversee and direct the activities of the Administrative Committee and to perform such other leadership and management functions on behalf of the Agreement as may be decided.
- (f) "Effective Date" means the date that the Agreement or an amendment thereof becomes effective pursuant to the Shipping Act of 1984.
- (g) "FMC" refers to the Federal Maritime Commission or any successor federal agency responsible for administering the Shipping Act of 1984.
- (h) "Force Majeure" refers to any of the following which renders a Party to this Agreement wholly or substantially incapable of certain performance, as determined by the Arbitrator under Article 13: (a) war or hostilities or the imminence thereof, (b) the act of any government, or (c) other events which are outside the control of a Party and cannot be avoided by the exercise of due care.
- (i) "Fund" consists of any liquidated damages, penalties, and late charges assessed and collected by the Secretariat in accordance with Article 5, 7 and

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contracts, rules and practices. This Agreement does not authorize any common tariffs. The Parties will, to the extent required by law or as determined by each of them, publish and file their own separate tariffs and service contracts, and/or will participate in the separate tariffs and service contracts of conferences and other authorities effective in the Trade.

5.11 Effective January 1, 1997, any charter arrangements which are entered into between or among the Parties pursuant to subarticle 5.14 and Appendix E of this Agreement shall be reported to the FMC as part of any quarterly Monitoring Reports required by the Agreement, describing for each such arrangement (a) names of Charterer and Owner, (b) TEU measurement of all Cargo carried, (c) sailing date (or, if more than one sailing is involved, commencement and termination dates) and (d) ports from and to which the arrangement applies. If the Parties enter into no such charter arrangement during the applicable period, the Monitoring Report will so indicate.

5.12 This Agreement does not authorize the Parties to engage in conduct prohibited by the Shipping Act of 1984.

5.13 (a) The Parties are authorized to transmit to and exchange with the Asia North America Eastbound Rate Agreement, FMC No. 202-010776, and the Japan-United States Eastbound Freight Conference, FMC No. 202-011528 (collectively, "Conferences"), and some or all of the members of any of such

contracts, rules and practices. This Agreement does not authorize any common tariffs. The Parties will, to the extent required by law or as determined by each of them, publish and file their own separate tariffs and service contracts, and/or will participate in the separate tariffs and service contracts of conferences and other authorities effective in the Trade.

5.11 The Chairman, his designee or counsel to the Agreement will file such reports on behalf of the Agreement as are required by FMC regulation, order or request.

5.12 This Agreement does not authorize the Parties to engage in conduct prohibited by the Shipping Act of 1984.

5.13 (a) The Parties are authorized to transmit to and exchange with the Asia North America Eastbound Rate Agreement, FMC No. 202-010776, and the Japan-United States Eastbound Freight Conference, FMC No. 202-011528 (collectively, "Conferences"), and some or all of the members of any of such

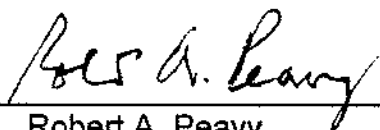
APPENDIX D

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IN WITNESS WHEREOF, the Parties have caused this amendment of the Agreement to be executed on their behalf by their duly authorized representative.

TRANSPACIFIC STABILIZATION AGREEMENT

By: 
Name: Robert A. Peavy
Title: Counsel to the Agreement
(Pursuant to authorization under
subarticle 6.9)

Date
Signed: April 22, 1997